

GREGORY OBJECTS TO ANOTHER BOARD

Says Tax Plan Would Cost State
\$25,000 Per Annum—Wants
Each Section Represented.

MONTAGUE DEFENDS REPORT

House Finance Committee Spends
Busy Day Studying Work of
Tax Commission.

The Finance Committee of the House of Delegates made further progress with its review of the Tax Commission's report at the two sittings yesterday. After devoting the morning partly to hearing from a delegation representing the business interests of Alexandria, who submitted some ideas regarding the license tax on merchants, and partly to consideration of the segregation system of taxation, the committee spent the afternoon hours in a heart-to-heart talk over sections of the commission's report.

The many inquiries elicited by the reading of the two tax bills carried in the report, and the argument provoked by the answers given by Hill Montague and D. H. Pitts, members of the committee who served on the Tax Commission, denote that few of the members pretend to a clear and comprehensive understanding of the proposed tax measure. The committee in session impresses the few observers attracted by the deliberations as a body of earnest men, intent upon obtaining an intelligent grasp upon the problems involved in the contemplated revision of the tax code.

COMMITTEES SEEK DETAILED INFORMATION

The committee's object in voluntarily gathering here a week in advance of the special session of the General Assembly, is that its members may be so fortified with information that when they are called upon to act, after the General Assembly has convened, they may act quickly and intelligently, thus facilitating the important business for which the special session was called. This information they are assiduously seeking and gaining as the proposed tax bills are read and discussed.

Senator Lesner, of Norfolk, appeared yesterday and arranged for a hearing to be given a delegation of business men from his city on Monday at noon. The committee is welcoming representatives of every interest in the State, and all may have a hearing.

Mr. Montague was quick to reply to every objection offered to the commission system, which he is advocating as it stands in the report, at yesterday's session.

"The more you consider this bill the more firmly you must be convinced that this is the system that will best make for the equalization of taxes," he said, when the committee was discussing railroad taxation at the afternoon session.

"We have not put the assessments of railroads on the State Corporation Commission because that body has many other important things to occupy its attention. The Corporation Commission is an important and valuable body to the State, but it can render better service looking after other phases of the railroad corporation and the general run of corporations."

SAYS SEGREGATION WORKS HARDSHIP ON SOME COMMUNITIES

Replying to a question of Captain W. W. Baker, D. H. Pitts, of the Tax Commission said:

"When we were working out the report, we found that complete segregation of taxes worked hardship on some localities. Take Suffolk, for example, which lives largely on railroad taxes. We found a number of towns likewise circumstanced. If we took certain taxes away from these towns, they would have no revenue left."

"Then when we considered partial segregation, we found the plan too complicated. It led into a bewildering maze, too difficult and intricate to follow. We have worked out the best possible plan."

Mr. Montague took up the argument: "This bill to create a Tax Commission engaged us steadily for three weeks," he said. "It is the best possible system that can be worked out for Virginia. In effect it is this: It is an effort on the part of the State to furnish three men in the office of the Commonwealth and in the office of the Commissioners and commissioners of the revenue. There is no more power vested in the three men than they should have. Under the present system, commissioners of the revenue in different counties have their own way of doing the State's business, and know nothing of the methods employed by other commissioners in other counties."

SALARY OF \$4,000 EACH NOT "TOO MUCH," SAYS MONTAGUE

Later, discussing the salary to be paid, Mr. Montague said: "There is no occasion to regard \$4,000 a year as a fat salary for a competent tax commissioner. We recommend that amount because you can't get capable men for pitiful salaries. The Corporation Commissioners are paid that much."

Mr. Gregory: "One objection have to your bill is that it does not specify from what parts of the State the Governor is to select the three men for appointment."

Mr. Montague: "When we were discussing that matter, we thought it best to leave it to the good judgment of the Governor. I recall that I suggested one of the men should be from west of the Alleghenies, another from east of the Alleghenies, and the third from one of the larger cities. But we were confident that the Governor would act wisely in making his appointments, so we did not specify."

Mr. Gregory: "Well, I think your commission would entail unnecessary

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Flood Warning

A rise of twelve feet in James River may be expected by noon to-day. The United States Weather Bureau has issued warnings for the protection of property, anticipating a rise of one to two feet over the Old Dominion wharves and also the rising of water in cellars and basements along Shockoe Creek valley, in the vicinity of Main Street Station.

CONFER ON RESERVE ACT

Glass and Members of Board Discuss Election of Bank Directors.

WASHINGTON, January 7.—Chairman Glass, of the House Banking Committee, conferred to-day with members of the Federal Reserve Board on interpretation of the section of the reserve act regulating election of reserve bank directors. Attention was called to the question of whether a director belonging to one of the three groups provided by the law can be elected legally to represent banks in another group, and it was suggested that restrictions in the act intended to prevent big banks from receiving control of the system had not been observed in some of the elections.

Some of those in the conference thought an amendment might be necessary to make it clear that no banker belonging to one group could serve as director of another. It was said, however, the matter of a review of elections by the board had not been considered.

JUVENILE COURT IS FAILURE

Tends to Make Tattlers of Boys It Sought to Correct.

ST. LOUIS, MO., January 7.—The Junior Juvenile Court of St. Louis, in which young lawyers acted as judges and schoolboys as police officers, has proved a failure. The court tended to make tattlers of the boys it sought to correct, and will therefore be abolished, according to the announcement of Judge Rhodes E. Cave.

The Junior Court was launched as an experiment to try boys for offenses not serious enough for the Juvenile Court. An offender could be sentenced to wash his mother's dishes, carry coal, or just "be a good boy," but the Junior Court had no authority to compel fulfillment of the sentence.

"The boys were quick to see this," said Judge Cave.

SUITS FOR \$50,000,000

Government Brings Action Against Southern Pacific Company.

SAN FRANCISCO, January 7.—The Southern Pacific Company and several of its subsidiary oil corporations are named as defendants in three suits involving approximately \$50,000,000, to be filed in Los Angeles to-day by the United States government, according to announcements made here. The actions involve title to more than 1,000 acres of property in Kern County, upon which more than 100 oil-producing wells are located.

The complaints contain allegations that the Southern Pacific Company misrepresented the land as "agricultural" when application was made, which resulted in patents for the land being issued by the government.

FRANK'S BOND APPROVED

Formality of Appeal Completed in So Far as Lamar Is Concerned.

WASHINGTON, January 7.—Justice Lamar's approval of an appeal bond in the case of Leo M. Frank completed to-day the formality of the appeal to the Supreme Court in so far as Justice Lamar is concerned. The bond assures payment of costs in the event that Frank loses.

The next step will be the docketing of the appeal. That cannot be done until the clerk of the Georgia Federal Court, in which the habeas corpus proceedings originated, certifies a record to the Supreme Court. Georgia cannot ask to have the case advanced for early hearing until it is docketed.

WORK FOR THE UNEMPLOYED

Manufacturing Plant, Owned by New York City, Ready for Operation.

NEW YORK, January 7.—A manufacturing plant owned by New York City was ready for operation to-day to give work to unemployed men and women. It will give work at the start to 1,000 persons in two shifts a day. Only those registered at the municipal lodging-house will be employed. The plant will produce goods needed in the lodging-house and in other city institutions. There will be no cash payments to the workers, but bode and meals will be credited to them in proportion to the number of hours they have labored.

CUBAN CROPS DESTROYED

Unseasonable Rains Do Great Injury to Tobacco and Sugar Cane.

HAVANA, January 7.—Heavy unseasonable rains, which culminated in a torrential downpour last night, completed the destruction of the tobacco crop in almost all sections of Cuba. The sugar cane also was injured seriously. In many localities it is yielding only about half the normal proportion.

Many sugar mills have suspended grinding while awaiting drying out of the fields. That postponement, it is feared, will result in a large part of the crop remaining underground while the regular rainy season begins.

PINCHOTS TO GO TO EUROPE

Will Assist in Establishing Hospital in War Zone.

PHILADELPHIA, January 7.—Clifford Pinchot, former Chief Forester of the United States, and his wife will sail from New York next Saturday to assist Mr. Pinchot's sister, Lady Allan Johnstone, in her work of establishing a hospital in the war zone.

Lady Johnstone is the wife of Sir Allan Johnstone, British minister to the Hague.

ASKS BERNSTORFF TO PROVE CHARGES

Bryan Says Manufacturers Deny Exporting Dumdum Bullets for English Army.

WILSON WILL USE INFLUENCE

United States Must Refrain From Officially Investigating or Commenting Upon Protests.

WASHINGTON, January 7.—In reply to Germany's complaint that American manufacturers were exporting dumdum bullets and "riot guns" for the British army, Secretary Bryan to-day informed Count Bernstorff, the German ambassador, that the manufacturers named had denied the charges, and asked that the State Department be furnished any evidence the ambassador might have to support his protest. The secretary added that he was directed by President Wilson to say that if any American company was shown to be engaged in such traffic he would use his influence to stop it, regardless of questions of legal or conventional duty.

As to the German protests against alleged use of dumdum bullets by the allies in Europe, Mr. Bryan said the United States, to maintain strict neutrality in the present conflict, was "obliged to refrain from investigating their truthfulness or making any comment."

In a letter to Count Bernstorff, Secretary Bryan referred to denials of American manufacturers to his recent charge that dumdum bullets and riot guns were being furnished to the allies. The letter follows:

"I have the honor to acknowledge the receipt of your note of the 5th ultimo, calling attention to 'fresh violations of the Geneva convention, as well as of section 2, article 230 of the Hague convention of July 29, 1864, by the British government,' in the use of dumdum bullets.

"I can assure Your Excellency that I am not unmindful of the spirit in which you bring to the attention of this government the improper practices which are alleged to have occurred in the conduct of the present war. But while this government may take these statements and charges under consideration, it is, in its effort to maintain a strict neutrality in the present conflict, obliged to refrain from investigating their truthfulness or making any comment in regard to them."

LATER TRUTH MAY BE IMPARTIALLY DETERMINED

"The time will come, however, when the truth may be impartially determined, and when the judgment of the world will be passed upon the charges made by the various belligerents of violations of the rules of civilized warfare."

Your Excellency also states that the British government has ordered from the Winchester Repeating Arms Company 20,000 "riot guns," model 1897, and 50,000 "bullet shot cartridges" for use in such guns. This department saw a published statement of the Winchester Company, the correctness of which the company has confirmed to the department by telegraph. In this statement the company categorically denies that it has received an order for such guns and cartridges from, or made any sale of such material to, the British government, or to any other government engaged in the present war.

"Your Excellency further calls attention to 'information, the accuracy of which is not to be doubted,' that 8,000,000 cartridges fitted with 'mushroom bullets,' have been delivered since October of this year by the Union Metallic Cartridge Company for the armament of the English army."

"In reply I have the honor to refer to the letter of December 10, 1914, of the Remington Arms-Union Metallic Cartridge Company, of New York, to your Excellency, called forth by certain newspaper reports of statements alleged to have been made by you in regard to the sale by that company of soft-nosed bullets. From this letter, a copy of which was sent to this department by the company, it appears that instead of 8,000,000 cartridges having been sold, only a little over 117,000 were manufactured, and 109,000 were sold. The letter further asserts that these cartridges were made to supply a demand for a better sporting cartridge than had been manufactured theretofore, and that such cartridges cannot be used in the military rifle of any foreign power. The company adds that its statement can be substantiated and that it is ready to give you any evidence that you may require on these points."

LIST OF PERSONS TO WHOM CARTRIDGES WERE SOLD

"The department is now in receipt from the company of a complete detailed list of the persons to whom those cartridges were sold. From this list it appears that the cartridges were sold to firms in lots of twenty to 2,000 and one lot each of 5,000, 4,000 and 5,000. Of these only 950 cartridges went to British North America and 100 to British East Africa.

"If, however, you can furnish the department with evidence that this or any other company are manufacturing and selling for the use of the contending armies in Europe, cartridges whose use would contravene The Hague convention, the government would be glad to be furnished with the evidence, and the President directs me to inform you that, in case any American company is shown to be engaged in this traffic, he will use his influence to prevent, so far as possible, sales of such ammunition to the powers engaged in the European war, without regard to whether it is the duty of this government, upon legal or conventional grounds, to take such action."

(In view of the publicity which has

(Continued on Second Page.)

ENGLAND'S REPLY EXPECTED TO-DAY

Preliminary Note Discussed by Cabinet, and Will Be Forwarded Shortly.

LATER TO BE SUPPLEMENTED

Necessity of Consulting Allies Makes It Impossible to Give Detailed Response Now.

LONDON, January 7 (7:20 P. M.).—England's preliminary reply to the American note concerning interruption of American shipping by British warships was discussed by the Cabinet to-day and will be forwarded shortly, probably to-morrow, to the United States government. This first reply will be supplemented later by a more detailed note, framed after further inquiries have been made.

No response to the preliminary note is expected from the United States. The note will be in the nature of an acknowledgment of the American protest, and a general statement of the unusual conditions faced by England. The necessity of consulting her allies makes it impossible for Great Britain to give an immediate detailed response, according to Foreign Office officials.

The text of the reply will not be given out here until the American government receives it and expresses a willingness that it be made public.

It is pointed out that the American note makes no specific statements concerning particular cases on which its objections are based, and the British preliminary reply will be no more specific. The British public is commenting widely upon what is termed the apparent unwillingness of both governments to disclose facts which would enable formation of a more definite idea of the nature of the controversy.

GREAT BRITAIN'S REPLY WHOLLY CONCILIATORY

Great Britain's reply to the United States note on interference with American shipping, it is said in well-informed quarters, is wholly conciliatory and shows a disposition to do everything within reason to avert the delay of cargoes.

England wishes to do everything in its power consistent with the proper safeguarding of the allies' interests, to facilitate world trade and stimulate commerce. Consequently, it is declared, there is no disposition on England's part to protest against the purchase of German vessels by Americans where the sales are genuine and the ships are not used so as to avoid what might reasonably be called consequences of belligerence.

Use of transferred German ships in cotton trade with Germany probably would call forth objections from the allies, although cotton is not contraband, because the allies, it is said, would regard such use as a roundabout means of escaping war's effects.

At any rate, objection is not likely to come until ships are actually transferred and their prospective use is clearly indicated. It is probable the allies will take the position that the sale money shall be held until the close of the war as a guarantee that it will not be of help to belligerents.

An assurance that German ships purchased by the United States government or its citizens, would engage only in the South American trade, probably would satisfy the allies.

While it is pointed out that the sale of German ships in New York to the American government or its citizens would inevitably relieve German citizens of heavy expenses of maintenance and insurance—undoubtedly consequences of war within the meaning of the international practice—still England probably would be willing to waive objections on that point were the vessels to enter trade in no way beneficial to Germany, Austria or Turkey.

SURPRISED AT REPORTS OF DENVER'S DETENTION

The Foreign Office to-day expressed surprise at reports of the detention of the steamer Denver, which Orkney Islands. Specific instructions were given that the Denver, which carried cotton for Bremen, should not be delayed longer than was necessary to identify her.

Complaint was made to the State Department at Washington yesterday that the Mallory Line steamship Denver had been detained at the Orkney Islands by British admiralty officials. The State Department asked Ambassador Page for a report.

BILLY SUNDAY MEETS TAFT

Enthusiastic Conversation Between Former President and Evangelist.

[Special to The Times-Dispatch.] PHILADELPHIA, January 7.—Billy and "Ma" Sunday cordially greeted former president William H. Taft to-day after his arrival in the city. The evangelist and his wife were introduced by John Wanamaker at the Hotel Adelphia, where the former occupant of the White House was the guest of the Ohio society. An enthusiastic conversation followed.

Mr. Taft beamed with smiles as he gripped the hand of the revivalist, but Billy outdid him in smiles. Mr. Taft and Sunday conversed interestingly for fully fifteen minutes in Mr. Taft's room in the hotel. An invitation was extended to Billy and "Ma" to stay for the luncheon with Mr. Taft, but, as the time approached for the afternoon service at the tabernacle, they were forced to decline.

SENATOR LEWIS ILL

Suffering From Attack of Acute Indigestion at Springfield.

SPRINGFIELD, ILL., January 7.—United States Senator James Hamilton Lewis, of Chicago, is seriously ill at the Governor's residence here from an attack of acute indigestion, which developed last night. His physician advised several days' rest.

INVADERS REPULSED ALONG WHOLE LINE



The Prince of Wales as a Despatch Bearer
PHOTO UNDERWOOD & UNDERWOOD, N. Y.

The Prince of Wales has already earned a name for himself in the annals of English history in the Pan-European war. In the early part of the struggle he marched to the front in the ranks of the Grenadier Guards. He distinguished himself there, and was thereafter promoted to act as despatch bearer. So great was his enthusiasm that he often performed acts which placed his life in utmost jeopardy. His father had to issue special orders to his superiors to curb his courage a bit, and not to let him expose himself so wantonly to the enemy. The Prince of Wales has been one of the leading spirits among the men at the front. He has fought with them, slept with them, eaten the same food at the same table, and has had much to do in raising the "morale" of the troops during the many hardships the men have had to suffer.

THIRTY-DAY PAPER GETS REDUCED DISCOUNT RATE

Richmond Reserve Bank Declares 4 1/2 Per Cent Rate, Beginning To-Day.

OTHER MATURITIES UNCHANGED

Aggregate Value of Rediscounted Paper at Local Bank, at Close of Business Yesterday, Approximately \$2,300,000.

Beginning to-day, the Federal Reserve Bank of Richmond will put into effect a 4 1/2 per cent discount rate for thirty-day paper, to supersede the 5 per cent rate which was in force up to and including yesterday. The reduction was ordered yesterday by the board of directors of the local bank assembled in regular session. Eight of the nine members of the board were in attendance.

The discount rate on all other maturities will for the present remain unchanged. The rate on thirty to sixty-day paper remains 5 per cent, and the discount rate on sixty to ninety-day maturities continues 5 1/2 per cent. Likewise, 6 per cent remains the rate on all maturities of more than ninety days.

According to Governor George J. Say, of the Richmond Reserve Bank, the reduction in the discount rate on the short-time paper was rendered advisable by the steadily falling commercial discount rate on this class of paper all over the country. It reflects an easing of the financial strain, brought about in great measure by the stability imparted to the country's finances by the establishment of the Federal reserve system.

ATLANTA AND DALLAS TO MAKE SAME RATE

The 4 1/2 per cent rate on short-time paper has been in force for some time at the Federal Reserve Banks of New York, Boston, Philadelphia and Chicago. The banks in Atlanta and Dallas, it is understood, will declare the 4 1/2 per cent rate simultaneously with the Richmond bank. This rate on thirty-day paper will be effective at all the Federal reserve banks except those in the West and Northwest.

Rediscounts at the local bank at the close of business yesterday amounted to approximately \$2,300,000. This represents the value of the rediscounted paper now held by the bank. Much of the paper rediscounted shortly after the opening of the bank has been taken up. According to Governor Say, the discounting operations of the Richmond bank, in proportion to the bank's resources, far exceed the amount of

PURPORTS TO CONFIRM REPORTS OF ARREST

AMSTERDAM, January 7 (via London, 6:30 P. M.).—The Amsterdam Tjld, whose report of the arrest of Cardinal Mercier elicited to-day an official denial from the German military government in Belgium, publishes a dispatch from Bergen-Op-Zoom, Netherlands, purporting to confirm the statements that the cardinal was placed under restraint. The Tjld asserts that German guards were stationed outside the cardinal's place last Saturday, that the cardinal demanded of the German commander that he be allowed to visit Antwerp on Sunday and another place on Monday, but that permission was refused.

The Tjld also says that a majority of the Antwerp clergy have been arrested.

START THE NEW YEAR RIGHT
By Using York River Line to Baltimore.
12.00 one way, \$1.00 R. T. 6:10 P. M.
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KAISER'S TROOPS FAIL IN ATTEMPT TO PUSH FORWARD

Violent Counteroffensive Develops at Several Points.

GERMANS STRENGTHENED BY REINFORCEMENTS

Activity in Flanders and France Confined Largely to Artillery Exchanges.

WEATHER CONDITIONS BAD

Operations of Extensive Character Not Yet Possible in West.

Germans Exceedingly Active in Both Zones

ALTHOUGH severe fighting has been going on in France during the past day or two, it has been discounted by the Russian successes against the Turks in the Caucasus and against the Austrians in the Carpathians.

In both Eastern and Western war theatres the Germans have been exceedingly active. Steady progress is noted in their official statements regarding operations in Poland, and the French official bulletin reports violent German attacks in the Argonne, in the region of Verdun and around Steinbach, in Alsace.

Details, as usual, are lacking, as the long-drawn-out battles are referred to briefly, seemingly as a matter of routine, unless something of an extraordinary nature occurs. Regarding the operations in the west as a whole, a British eyewitness, who has been the regular chronicler of events, says that "really, marked progress has been achieved by the allies."

Berlin reports that a Turkish official bulletin announces the Ottoman occupation of Urmiah, an important town of Persian Armenia.

Petrograd is celebrating the Russian Christmas, and the people of the capital appear to be in no way depressed by the war, which has caused so many millions of men to go to arms.

Activity by Austrian submarines, according to Berlin, apparently has compelled the French admiral to withdraw his ships from the Strait of Otranto, at the entrance to the Adriatic Sea.

The German military government in Belgium denies reports that Cardinal Mercier, primate of Belgium, has been arrested or detained by the German authorities. Neither have any priests been arrested, it is asserted.

NO TRUTH IN REPORT OF CARDINAL'S ARREST

German Military Government in Belgium Characterizes Story as Absolutely False.

IS NOT UNDER SURVEILLANCE

Inquiry Had Been Instituted by Pope Benedict as to Alleged Detention of Mercier With Idea of Protesting to Kaiser's Government.

THE HAGUE, NETHERLANDS, January 7 (via London, 3 P. M.).—The German military government in Belgium to-day characterized the published report that Cardinal Mercier, Archbishop of Malines, had been arrested as absolutely false.

The cardinal has neither been detained in the bishop's palace at Malines nor placed under police surveillance of any sort, the official statement says.

The denial is silent on the case of Dessain, the printer who published the cardinal's Christmas pastoral letter, but it is understood the story concerning him also is a fabrication.

Cardinal Mercier was reported unofficially to have been arrested on account of a pastoral letter in which he was said to have recognized the authority of the German administration of Belgium. While the reports were doubted at the Vatican, an inquiry was instituted by Pope Benedict, with the idea of protesting to the German government, according to Rome dispatches, should the reported arrest be verified.

The French artillery position on the ridge which dominates Steinbach, and from which the fire was directed which finally dislodged the German forces when they were compelled to evacuate on Monday, was subjected to a particularly violent bombardment, but the country all about, due to the heavy rains, made further attacks by infantry impossible.

TWO NEW MOVEMENTS CLOSELY RELATED

Resumption of the offensive at Steinbach and the bombardment of Thann, where yesterday the hospital was made the target of German shells, are believed to be closely related to the attempt of the Kaiser's troops to thrust forward a wedge between the French northern column, attacking the defenses of Muehlenhausen from the direction of Mount Bonhomme, and that which is advancing from Thann, through Steinbach and Cernay.

The third of General Pau's columns, which is advancing from Belfort as its base, has so far penetrated to the southwest of Altkirch, the key to the south door of Muehlenhausen, that they have taken up a position in a small

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